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INFO RUCNISL/ISLAMIC COLLECTIVE

RUEHAA/AMEMBASSY ASHGABAT 0785

RUEHTA/AMEMBASSY ASTANA 0894

RUEHBJ/AMEMBASSY BEIJING 5830

RUEHEK/AMEMBASSY BISHKEK 0826

RUEHLM/AMEMBASSY COLOMBO 9332

RUEHKA/AMEMBASSY DHAKA 9454

RUEHDBU/AMEMBASSY DUSHANBE 0624

RUEHIL/AMEMBASSY ISLAMABAD 2670

RUEHKT/AMEMBASSY KATHMANDU 0033

RUEHMO/AMEMBASSY MOSCOW 1818

RUEHNT/AMEMBASSY TASHKENT 1008

RUEHKO/AMEMBASSY TOKYO 4690

RUEHCI/AMCONSUL KOLKATA 9291

RUEHCG/AMCONSUL CHENNAI 9652

RUEHKP/AMCONSUL KARACHI 7249

RUEHLH/AMCONSUL LAHORE 3794

RUEHBI/AMCONSUL MUMBAI 8826

RUEHPW/AMCONSUL PESHAWAR 4364

RUEAIIA/CIA WASHDC

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RHHMUNA/CDR USPACOM HONOLULU HI

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RHHMUNA/HQ USPACOM HONOLULU HI

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C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 001508

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SUBJECT: NO CLEAR OUTCOME IN SIGHT FOR UPCOMING UTTAR

PRADESH ELECTIONS

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Classified By: Political Counselor Ted Osius for reasons 1.4 (B,D)

¶1. (C) Summary: Although the election is set to commence on April 7, UP politics remain as confused and murky as ever. In the past few weeks, a close associate of Uttar Pradesh (UP) Chief Minister Mulayam Singh Yadav has bolted to form a new party, and his Muslim support base appears to be increasingly disaffected, with many also likely to defect. Our sources tell us that many within the SP inner circle see defeat looming. Despite a recently released poll showing the BSP and SP in a virtual dead heat, we assess that BSP support will increase in the weeks leading up to election day, with Mayawati's BSP most likely to emerge with the largest number of seats. The BSP would then have little trouble attracting sufficient support from independents and other parties (including Congress) to form the government. However, any BSP arrangement is likely to be unstable. Most expect new elections within a year. Although the BJP is rumored to be contemplating a post-election coalition government with the SP, we assess that it would prefer to remain in opposition and let the BSP government collapse of its own weight. If UP goes to the polls again at the same time as the 2009 Parliamentary contest, the BJP could then entertain hopes of grabbing power in Lucknow and Delhi as part of a nationwide sweep. End Summary.

¶12. (SBU) On March 19, Beni Prasad Verma, a longtime associate of SP President and UP Chief Minister Mulayam Singh Yadav formally parted company with his mentor, leaving the party to form his own political group, the Samajwadi Kranti Dal (SKD). Verma announced on March 28 that he will field 12 candidates in the fourth phase of the UP election scheduled for April 23 in his "pocket boroughs" in Barabank and Bahraich districts. Verma has a strong personal following in these areas, and his candidates could defeat the rival SP nominees. Since his defection, Verma has met several times with Mulayam, who purportedly begged him to return but to no avail. In another sign of the growing rift, Verma's son Rakesh, a minister in the UP Cabinet, refused to accept an SP ticket and will run as an SKD candidate against the SP nominee in his constituency. UP Labor Minister and close Mulayam associate Waquar Ahmed Shah occupies a seat in Bahraich district. Verma is pitting Mrs. Reshma Arif against Shah. Wife of leading Muslim politician and former Delhi Cabinet Minister Arif Mohammad Khan, Arif is a strong contender, who previously represented Bahraich in the Legislative Assembly. Arif Mohammad Khan, who enjoys considerable prestige among UP Muslims, is said to have joined the SKD and plans to run on an SKD ticket in the 2009 Lok Sabha Elections. Verma's departure follows on the heels of the earlier split with powerful Jat leader Ajit Singh, who pulled his Rashtriya Lok Dal out of the SP alliance.

¶13. (C) On March 22, Poloff met with a representative of Mohammad Azam Khan, one of the original founders of the SP and a member of Mulayam's inner circle. Khan is currently the UP Power and Parliamentary Affairs Minister and has engineered Mulayam's political strategies since the SP was

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founded. Khan's representative suggested that he does not expect the SP government to last, is looking at other options, and wants to cultivate ties to the Embassy, despite the avowed anti-Americanism of the SP. The willingness of Arif Mohammad Khan and his wife to run against Mulayam and Mohammad Azam Khan's feelers confirm what we have been hearing from numerous sources, namely that Muslims are increasingly disenchanted with the SP and unlikely to vote for it in the strong numbers seen in previous contests. Should large numbers of Muslims desert, the SP would have a difficult time clinging to power.

BSP Breaks the Mold

¶14. (SBU) In 2005, the BSP held its first "Brahmin Conference" in Lucknow. The aim of the meeting was to entice Brahmins into joining the BSP, which was founded and structured as a party for Dalits and other low caste groups. Many dismissed Mayawati's strategy as naive wishful thinking, but she has stubbornly pursued it, and it now appears to be bearing fruit. In the run-up to the UP elections, Mayawati has organized Brahmin conferences all over UP, which have been well-attended by both Brahmins and Dalits. At the rallies, Brahmin speakers pledging loyalty to Mayawati and the BSP have been cheered on by Dalits. Mayawati currently enjoys the ironclad loyalty of the Dalits, who constitute 21 percent of the state's population. Brahmins, who are 10 percent of the state's voters, have been politically adrift. Formerly with Congress and the BJP, many could be attracted to vote BSP in this contest, especially if the party sponsors large numbers of Brahmin candidates. A significant shift of Brahmins to the BSP could deprive the BJP of a crucial "vote bank" and undercut its hopes for a large increase in seats in the upcoming election (septel).

Rahul Runs Against Congress

¶5. (C) Family heir apparent Rahul Gandhi has taken control of the Congress campaign in recent weeks, addressing party rallies throughout the state and meeting with local notables.

While on the campaign trail, Rahul remarked that if a member of the Gandhi dynasty has been in control of the country, the Babri Mosque would never have been demolished. He was excoriated for these statements in the English language press, with the BJP charging Rahul with being disrespectful for criticizing then Prime Minister Narasimha Rao, who is deceased and cannot defend himself (and was a Congress member). Our contacts in UP were more upbeat, stating that Rahul was well-received in the countryside. UP interlocutors praised Rahul for demonstrating astuteness by distancing the family dynasty from the lackluster Congress Party apparatus and reminding rural voters to vote for the Gandhi family rather than the party. Reinforcing BJP accusations that Congress panders to Muslims, Rahul also made a lengthy stop at the Islamic seminary at Deoband, where he courted the senior leadership of the Deobandi sect. Barelvi Muslims have already indicated their distaste with the ruling SP government and willingness to give Congress serious consideration, and we are told that the Deobandi leaders were

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clearly pleased by the attention they received from Rahul, with many willing to withdraw support from the SP and switch to Congress.

¶6. (SBU) On March 27, efforts to form an anti-Mulayam alliance based around Congress came to a halt, as talks between Congress and various non-BJP, non-SP, and non-BSP parties ended without result. Press reports blamed Rahul for the breakdown, noting that he is not in favor of making the concessions necessary to build credible alliances and believes that Congress will be strengthened if it contests alone. As a result, Congress plans to field 336 candidates in UP's 403 constituencies. It was hoped that a Congress-led alliance with the RLD, former Prime Minister VP Singh's Jan Morcha and up to 16 other small parties could negotiate seat adjustments that would field unity candidates against the SP in key constituencies and bag as many as 80 seats in the election. Without the alliance, the anti-Mulayam vote will be split between Congress, the BJP, the BSP and the smaller parties, giving a breather to the SP in some crucial contests.

The First Poll is Unreliable

¶7. (U) On March 26, CNN-IBN released the first of what promises to be many state-wide political polls. The news network polled a sample of over 11,000 voters between March 19 and 23. It determined that if an election were held during the polling period, the SP and BSP would be in a virtual dead heat, with only a one percent difference between them. The SP would purportedly win 145-155 seats, while the BSP would carry 140-150. Surprisingly, the BJP would decline to 50-60 seats. Congress would remain at 20-30 seats. The remaining 30-40 seats were likely to go to others and independents, including Ajit Singh's RLD and the Jan Morcha. CNN-IBN claimed that the poll portends a "hung assembly," as no party will be able to immediately form the government.

¶8. (C) The poll was almost immediately discounted for a variety of reasons. The Indian Express pointed out that every poll projection in UP has under-estimated the final electoral performance of the BSP. The poll also fails to take into account the high volatility of the Muslim voter. Many have not yet decided who they will vote for and could remain undecided almost up to the day of the election. Should Muslims shift away from the SP, the newspaper pointed out, Congress would be the biggest beneficiary, and SP the biggest loser. The poll was also taken before Rahul Gandhi became actively involved in the campaign and does not measure his impact. Some UP contacts contend that the poll was commissioned and paid for by Mulayam henchman Amar Singh.

They argue that an increasingly desperate Mulayam is spreading large sums of money around UP in a last ditch effort to stave off impending defeat and worked with CNN-IBN to produce a "fixed" poll. The BJP dismissed the poll as "trash," They told the "Hindu" that, despite the poll, the BJP is "gaining ground."

Comment: Rats Leaving the Ship

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¶9. (C) A wide-range of UP contacts continue to assert that Mulayam and the ruling SP are in serious trouble and likely to lose many seats. They point to near universal disgust at the high level of crime and corruption in the state that has thoroughly disenchanted the population. Mulayam and his inner circle are said to be increasingly worried and they should be. Key Mulayam allies and associates have bailed out in recent weeks and this could be only the beginning. Should the perception grow that Mulayam's rule is coming to an end, there could be a rush to the exits in the weeks leading to the election. Although there are continuing rumors that Mulayam is prepared to ditch his Muslim supporters and enter into an unprincipled "marriage of convenience" with the BJP to save his regime, we do not see this as a likely outcome. In our estimation, the BJP would prefer to sit in the opposition and let Mayawati's BSP form the next government. The BJP would then let the jury-rigged affair self-destruct.

Some Scenarios

¶10. (C) There is a good chance that any government formed by the famously tempestuous Mayawati would be short-lived. If the BJP is lucky, UP would be going to the polls in 2009 at the same time as the Parliamentary elections. The BJP could then pick up UP as part of a possible wave that would bring it into power at the Center. Polling data aside, the BSP is unlikely to do better on election day than many currently think, while the BJP could prove over-optimistic in its assessment. At present, the BSP seems most likely to emerge with the largest number of seats, and the party most likely to form the next government. If it falls short of a majority, there will be plenty of independents and other parties willing to form a coalition government. Congress could also support such an arrangement in the "horse-trading" likely to follow the polls.

¶11. (U) Visit New Delhi's Classified Website:
(<http://www.state.sgov.gov/p/sa/newdelhi/>)
MULFORD